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BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF)
TUCSON ELECTRIC POWER COMPANY AND)
SOUTHWEST TRANSMISSION COOPERATIVE,) DOCKET NO.
INC. FOR A CERTIFICATE OF) L-00000C-09-0385-00149
ENVIRONMENTAL COMPATIBILITY FOR:)
(1) THE RECONFIGURATION OF AN) DOCKET NO.
EXISTING TEP 138 kV LINE TO AN SWTC) L-00000CC-09-0385-00149
115 kV LINE FROM THE EXISTING)
SAGUARO SUBSTATION IN SEC. 15,) Case No. 149
T.10S., R.10E. TO THE EXISTING)
TORTOLITA SUBSTATION IN SEC. 23,)
T.10S., R.10E., PINAL COUNTY, AND)
(2) THE RECONSTRUCTION OF TWO) PREFILING
EXISTING TEP 138 kV LINES AND THE) CONFERENCE
ADDITION OF ONE TEP 138 kV LINE AND)
ONE SWTC 115 kV LINE FROM THE)
EXISTING TORTOLITA SUBSTATION TO)
THE EXISTING NORTH LOOP SUBSTATION)
IN SEC. 9, T.12S., R.12E. IN THE)
TOWN OF MARANA, PIMA COUNTY.)

At: Phoenix, Arizona

Date: July 27, 2009

Filed: AUG 12 2009

Arizona Corporation Commission

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By: GARY W. HILL, R.P.R.
Certified Reporter
Certificate No. 50812

Prepared for:

LINE SITING COMMITTEE

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1 BE IT REMEMBERED that the above-entitled matter came
2 on to be heard before the Arizona Power Plant and
3 Transmission Line Siting Committee, 1275 West Washington
4 Street, Phoenix, Arizona, commencing at 2:10 p.m., on the
5 27th day of July, 2009.

6

7

8 BEFORE: JOHN FOREMAN, Chairman

9

10 APPEARANCES:

11

12 For the Applicant SRP:

13 ROSHKA DeWULF & PATTEN
14 By: Mr. Jason D. Gellman
15 and Mr. J. Matthew Derstine (Via Teleconference)
16 One Arizona Center
17 400 East Van Buren, Suite 800
18 Phoenix, Arizona 85004

19 For the Applicant Southwest Transmission Cooperative, Inc.:

20 GALLAHER & KENNEDY
21 By: Mr. Michael M. Grant
22 2575 East Camelback Road
23 Phoenix, Arizona 85016

24 For Pinal County:

25 MUNGER CHADWICK
26 By: Mr. Lawrence V. Robertson, Jr.
27 P.O. Box 1448
28 2247 E. Frontage Road
29 Tubac, Arizona 85646
30 (Via Teleconference)

1 For Elizabeth Buchroeder Webb:

2 Elizabeth Buchroeder Webb, Pro Se
3 17451 E. Hilton Ranch Road
4 Vail, Arizona 85641
(Via Teleconference)

5 Also Present:

6
7 Ms. Tara Williams,
Assistant to Chairman Foreman

8
9 GARY W. HILL, RPR
10 Certified Reporter
Certificate No. 50812

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1 (Exhibits 1 and 2 were marked for
2 identification.)

3 CHMN. FOREMAN: We're ready. We're going to go
4 on the record now. My name is John Foreman. This is a
5 prefiling conference for the Arizona Power Plant and
6 Transmission Line Siting Committee.

7 I would like to have those of you present
8 identify yourselves. We'll start with those who are here
9 present in the room with me.

10 MR. GELLMAN: Good afternoon, Mr. Chairman.
11 Jason Gellman on behalf of Applicant Tucson Electric Power
12 Company.

13 MR. GRANT: Mr. Chairman, good afternoon. Mike
14 Grant of Gallagher and Kennedy on behalf of Southwest
15 Transmission Cooperative.

16 CHMN. FOREMAN: All right. Now those who are
17 appearing by phone, we'll start with Ms. Webb.

18 MS. WEBB: Thank you, Mr. Chairman. Elizabeth
19 Webb, citizen-at-large.

20 CHMN. FOREMAN: All right. Mr. Robertson.

21 MR. ROBERTSON: Thank you, Mr. Chairman.
22 Lawrence D. Robertson, Jr., appearing on behalf of Pinal
23 County.

24 CHMN. FOREMAN: And Mr. Derstine.

25 MR. DERSTINE: Good afternoon, Mr. Chairman.

1 Matt Derstine. I am joining with Mr. Gellman on behalf of
2 Tucson Electric Power Company.

3 CHMN. FOREMAN: All right. Very good. Why
4 don't we start by you folks giving me just a little
5 background on what this proposed application is about.

6 MR. GELLMAN: Mr. Chairman, I can do that.
7 Again for the record, Jason Gellman on behalf of one of
8 the applicants, Tucson Electric Power Company.

9 Basically, the project consists of roughly two
10 segments. The first segment would be, for lack of a
11 better term, reconfiguring an existing Tucson Electric
12 Power Company 138 kV line to a Southwest Transmission
13 Co-Op 115 kV line between the Saguaro and Tortolita
14 substations. Both those substations are located in Pinal
15 County within an existing TEP right-of-way. It's about
16 1.3 miles.

17 Then the second segment gets a little bit more
18 complicated. It's between the Tortolita and North Loop
19 substations, Tortolita in Pinal County, North Loop
20 substation in Pima County, I believe within the
21 incorporated jurisdiction of the town of Marana.

22 In that segment, two existing 138 kV TEP
23 circuits would be reconstructed onto steel mono poles that
24 are currently, I think, largely on H-frame wooden
25 structures. In addition, there would be one new 138 kV

1 circuit owned and operated by TEP and one new 115 kV
2 circuit owned and operated by Southwest.

3 It also implicates the Thornydale substation
4 which, I believe, is owned by TEP, and the Southwest
5 Transmission circuit would be connected to a proposed
6 substation called the Adonis substation, which I believe
7 would also require some sort of special use permit with
8 the town of Marana.

9 Basically there are three options that the
10 application will propose. The reason I say options is
11 that out of the three options, there's two separate routes
12 and then two separate, what I'll call structure
13 configurations. The preferred option involves one series
14 of quad circuit steel mono poles, and here I'm talking
15 between the Tortolita and North Loop substations.

16 The second option involves two series of double-
17 circuit steel mono poles. So the difference between the
18 preferred option and what is called in the application
19 Alternative Option 1 will have to do with the types of
20 mono poles, not so much the route. As far as the route
21 goes, those two options will be within an existing TEP
22 right-of-way.

23 As far as the third option, it is one series of
24 quad circuit steel mono poles and follows the existing TEP
25 right-of-way to a point between where there's an

1 intersection between the TEP right-of-way and the Central
2 Arizona Project canal in that area where the route would
3 then follow along, I believe, the eastern side of the CAP
4 canal until it reaches approximately Tangerine Road, and
5 then it would continue along the existing TEP right-of-way
6 to the North Loop substation.

7 That's kind of a rough outline of what the
8 application will contain.

9 The land ownership, just real briefly, mostly
10 state trust land, some private land, and maybe portions of
11 other land; and again, if I didn't say this before, the
12 route will be roughly between 14 to 16 miles, depending on
13 the option.

14 I would note that I think Mr. Ed Beck planned to
15 attend the prefiling conference by phone. I don't know if
16 he's on. He might have been tied up. But I don't know if
17 Mr. Grant or Mr. Derstine have anything to add to that,
18 but that is a rough overview of the project.

19 CHMN. FOREMAN: Mr. Grant.

20 MR. GRANT: Judge, very thoroughly done, and I
21 think completely done. It is -- at least the preferred
22 option is in an existing right-of-way and replacing the
23 existing transmission line, and hopefully that's normally
24 at least a less painful thing since we've been there and
25 done that, and the project is very much needed.

1 Again this is a theme the Committee has heard
2 recently, but Southwest is having to do some transmission
3 additions to handle all of the growth that Trico has been
4 experiencing in that north Pima and Pinal County area, and
5 that's the reason for the project.

6 CHMN. FOREMAN: And so, let me understand this
7 or see if I understand it. Of the preferred route, none
8 would be in new land; none would be in new corridors, or
9 do you need some new land?

10 MR. GELLMAN: Mr. Chairman, as far as the
11 preferred option goes, it would all be within existing
12 right-of-way.

13 CHMN. FOREMAN: You've got at least one
14 alternative that has the possibility of having new land in
15 it?

16 MR. GELLMAN: That is correct.

17 MR. GRANT: Yes, with the exception of the small
18 piece for the Adonis substation. I don't think that's
19 technically in the existing TEP right-of-way.

20 MR. GELLMAN: Right.

21 MR. GRANT: Very close to it, and so, I mean
22 almost all of it is in there, but I think that there may
23 be a small piece of the substation that may go slightly
24 out of the existing TEP right-of-way.

25 CHMN. FOREMAN: Okay. Second question, is any

1 of this land that is presently impacted or might be
2 impacted by one of the alternatives developed, developed
3 for commercial development?

4 MR. GELLMAN: Mr. Chairman, I don't believe so.
5 I know there's some indications of possible development in
6 the project area or in the vicinity of the project area.
7 I believe mainly to the south and to the west -- or to the
8 southwest of where the various options are proposed. I
9 don't know offhand whether that's residential, commercial
10 or some mix of both. I think it's mostly residential.
11 But I believe that there's descriptions of those
12 developments within the application.

13 CHMN. FOREMAN: Okay. All of this, if I'm
14 understanding it, all this land is located north and west
15 of Tucson?

16 MR. GELLMAN: It's certainly --

17 MR. GRANT: North.

18 MR. GELLMAN: -- north. I believe it's to the
19 north and to -- none of it is within the boundaries of the
20 city of Tucson. It's either within the town of Marana or
21 Pima County, aside from Pinal County. But I believe
22 it's -- it's definitely north. It may be a little west,
23 but I'm --

24 CHMN. FOREMAN: Which side of Interstate 10 is
25 it on?

1 MR. GELLMAN: It would be on the east.

2 MR. GRANT: East.

3 CHMN. FOREMAN: East side.

4 MR. GRANT: So that probably would be north and
5 west of much of Tucson. I mean since it's --

6 CHMN. FOREMAN: Yeah, at least the downtown
7 area.

8 MR. GELLMAN: Right.

9 MR. GRANT: Yes.

10 CHMN. FOREMAN: All right. Mr. Robertson,
11 what's the interests of your clients here?

12 MR. ROBERTSON: Well, the description,
13 Mr. Chairman, that we received from Mr. Gellman a few
14 moments ago and supplemented by Mr. Grant is at least, to
15 my personal knowledge, the first detailed insight we have
16 had on the project thus far. That is not to suggest that
17 information may not have been shared at a planning level
18 with Pinal County people. I quite honestly don't know
19 either way. But thus far I have not received any
20 instructions from my client as to what our position in the
21 case will be. We were hoping to get more insight as a
22 result of today's prefiling procedural conference, and
23 then followed by the actual filing of the application
24 itself.

25 CHMN. FOREMAN: Do you anticipate that you will

1 file a notice of intervention?

2 MR. ROBERTSON: I do.

3 CHMN. FOREMAN: Okay. And do you anticipate
4 contesting any of the application so far as you are aware
5 now? And I'm not trying to hold you to this, but just
6 trying to get a sense of what the hearing is going to be
7 like.

8 MR. ROBERTSON: That's very easily answered,
9 Mr. Chairman. I have no idea at this point as to whether
10 there would be any aspect that Pinal County might desire
11 to contest. As I indicated just a moment ago, this is
12 really the first insight that I'm aware we've had, and
13 I've thus far received nothing from the client to indicate
14 a position either way.

15 As I indicated, when Pinal County intervened in
16 Siting Case 142, which Mr. Grant is familiar with, several
17 months ago -- I believe it was in April -- the Board of
18 Supervisors identified approximately six forthcoming
19 proceedings on the Siting Committee calendar that had a
20 Pinal County nexus, both transmission line projects and
21 one or two generation; and they adopted a general policy
22 they wanted Pinal County to intervene in those and be in a
23 position to represent the County's interest as they might
24 appear from case to case. And as you're aware, we took
25 what we hope was a very constructive posture in Siting

1 Case 142, and that will be our general intent throughout.

2 At this point, I don't know if there are any
3 aspects of this particular project or these projects that
4 would be of concern to the County or not.

5 I hope that's responsive to your question.

6 CHMN. FOREMAN: It is. I will hope that you
7 will at the time of the prehearing conference, obviously,
8 be able to give us a little more precise indication of
9 whether or to what extent you might contest any of the
10 issues in the hearing.

11 MR. ROBERTSON: Well, that would certainly be my
12 intent, Chairman Foreman, and I believe that would be the
13 intent of Pinal County as well.

14 CHMN. FOREMAN: Good.

15 Now, Ms. Webb.

16 MS. WEBB: Yes.

17 CHMN. FOREMAN: What is your interest in this
18 proceeding?

19 MS. WEBB: Well, Mr. Chairman, I have a couple
20 of varied interests, and it might have been sent to my
21 e-mail. I'm in the car right now. But I have not
22 received the application or the cultural and environmental
23 studies yet. So insofar as those items are concerned, I'm
24 going to reserve comment on those. But the things I can
25 discuss, I have an interest, because there are so many

1 projects in the area involved with TEP, as a ratepayer,
2 and I understand I cannot speak of rates; but I have
3 concerns about the costs.

4 Then also in my community it is served in large
5 majority by SWTC and Trico, and I have community members
6 that are concerned about costs with that.

7 And then I also have concerns, of course, with
8 the appropriate mono pole color choices, as we do commute
9 to Phoenix on occasion, and that is very close to the
10 interstate in the first portion. I don't know if they
11 have official names, but the first segment. And I'm
12 reserving judgment -- I am thinking at this point I would
13 just like to be an interested party and do a small
14 presentation, but I'm reserving judgment on that until I
15 see the full application.

16 CHMN. FOREMAN: Okay. Well, I guess the
17 question that I have now is, do you want to -- do you plan
18 on becoming a full-fledged party making a request to
19 intervene, or do you want to simply be someone who makes a
20 public comment or someone who has the opportunity to make
21 a presentation to the Committee that's not a full party?

22 MS. WEBB: At the minimum I'm suspecting at this
23 point that I would like to make a presentation, but I
24 would like to reserve judgment on that until I see the
25 full application.

1 I've been at other meetings where I have
2 observed that Pima County has had concerns with the CAP
3 mitigation corridor; and until I see the application, I
4 would like to reserve judgment and speak with some people
5 in the County as well.

6 CHMN. FOREMAN: Okay. Well, at the end of the
7 hearing in, I think it was Number 144, we discussed some
8 of the problems associated with somebody who's not legally
9 trained becoming a full-fledged party, and I just wanted
10 to let you know that if you decide you don't want to
11 become a full-fledged party, that we'll try and give you
12 the opportunity to make the sort of presentation you would
13 like to make, to put in the record what you would like to
14 have in the record so that you can make the points that
15 you would like to make with the Committee and with the
16 Commission. All right?

17 MS. WEBB: Thank you, Mr. Chairman. And that's
18 exactly -- my concern is that any comments that I would
19 make would be on the record since the subject of public
20 comments has not been rediscussed with the Commission.

21 CHMN. FOREMAN: Well, there are some problems
22 with the statute that we've discussed before about public
23 comment. Basically there is no statutory authorization
24 for it in the line siting statute area.

25 MS. WEBB: All right.

1 CHMN. FOREMAN: But it is something that is not
2 prohibited either, and it's something that will take place
3 in this hearing and all the other hearings that I
4 anticipate will occur. So I want to reassure you that
5 that option will be there.

6 MS. WEBB: Okay.

7 CHMN. FOREMAN: Now, do we have any idea how
8 long the hearing is likely to last?

9 MR. GELLMAN: Mr. Chairman, I would say maybe
10 two to three days. Obviously, that depends on the number
11 of intervenors, and the length of their direct case. You
12 know, as we've stated, most of what we're applying for
13 here deals with an existing right-of-way. I don't
14 anticipate extensive opposition; and if this turns out to
15 be correct, I wouldn't think that we would need more than
16 a day or two to present our direct case.

17 CHMN. FOREMAN: Okay. I'm wondering whether
18 this is a case where a tour would be beneficial to the
19 Committee?

20 MR. GELLMAN: Mr. Chairman, we plan to have a
21 Google Earth presentation ready for the first day of the
22 hearing, similar to what we did in Case 144. I don't
23 think there is as varied a terrain as there was in that
24 case. And obviously, the facts and circumstances are
25 different.

1 Having said that, we will have a full route tour
2 available for the Committee to decide in this case. If I
3 had to guess whether it would be more likely or less
4 likely than Case 144, I would say less likely. But again,
5 ultimately, obviously, that's not up to us.

6 CHMN. FOREMAN: Well, I would like for you to
7 plan a tour and have a Google Earth tour available for
8 presentation on the first day, as you said you would. I
9 think that was a helpful way to address that issue, and
10 we'll wait and see what the Committee has to say about how
11 helpful they think the actual physical tour would be. So
12 we will address that later.

13 I think you all have been through a hearing in
14 the recent past, so you're aware of the procedural order
15 that I'm likely to present shortly after the application
16 is filed. Tara is giving hard copies to those who are
17 here; and I hope Ms. Webb and Mr. Robertson, you received
18 an e-mail copy of the proposed procedural order. If not,
19 you both are aware of what I've put in prior procedural
20 orders.

21 I'll expect, if you want to be a party, that you
22 disclose your witnesses, that you provide summaries of
23 their expected direct testimony, that you disclose your
24 exhibits, that you meet and confer with all the other
25 parties and exchange witnesses, testimonial summaries and

1 exhibits before the hearing.

2 I'll wait and designate exhibit numbers later.

3 I'll have to -- it would be a little cumbersome to have
4 TEP SW-1 or SW TEP-1. But I'll try to figure out some way
5 to do that.

6 MR. GRANT: Mr. Chairman, we did run into a
7 slight reminder, and it didn't occur to me until we got in
8 the hearing, but we had A-1, and of course, there's an A-1
9 that's in the application. So we --

10 CHMN. FOREMAN: Yes, which has broken me of the
11 habit of designating one of the parties as A.

12 So we had applicant's application as Exhibit A
13 to the hearing, and Exhibit A-1 to the application. So we
14 had A-1 A-1, and it just sounded like gobbledy gook. So
15 I'm having to go back to the drawing board on that.

16 So I won't go through the rest of the parts of
17 the procedural order unless anybody has any questions.

18 Any questions about the procedural order?

19 (No response.)

20 CHMN. FOREMAN: I've also passed out the latest
21 iteration of Conditions. Again, these conditions I offer
22 as a place to start, not as a place to end. I would like
23 all of the materials that are addressed in the Conditions,
24 if they're relevant to this case, to be addressed in the
25 proposed conditions to the CECs that you'll provide later

1 on. For example, there's a condition here that relates to
2 natural gas or hazardous materials pipelines. If we don't
3 have any that are within a hundred feet, we don't need to
4 mess with that. But if we do, then we do need to address
5 it.

6 I will tell you that in last week's hearing in
7 Number 145-146, the Committee decided not to put in
8 Condition Number 6 that limits assignment without prior
9 approval of the Commission. And there was an extensive
10 debate on that. Whether the Committee will decide it
11 wants it this time or not want it this time, I don't know;
12 but I wanted to call that to your attention.

13 And there was also a spirited debate with regard
14 to the number of years that the applicant would be given
15 within which to act on the application. So that's
16 something you should be aware of.

17 In Condition Number 10, there is a reference to
18 the sign that's to be posted to be no smaller than a
19 normal roadway sign. Some members of the Committee would
20 like to see a bigger sign. The applicant in 145-146,
21 offered to put up a 4 foot by 8 foot sign. So just a
22 sheet of plywood with something on it. So you should be
23 aware of that.

24 I think the only other thing I would call to
25 your attention is that I've reworded the language of the

1 findings of fact and conclusions of law at the end since
2 the last time that either of you were involved. I've
3 tried to make the language a little more, a little
4 cleaner. I think I talked about using this language first
5 in Number 144, but we ran out of time; and so rather than
6 extend the deliberations, we used the language that had
7 been used before. This time I would like to use this
8 language as a starting point.

9 Again, I encourage more findings of fact. I
10 have no problem with other conclusions of law if they're
11 appropriate. But I just wanted to use this as a departure
12 point, this language as a departure point in this case.

13 Any questions about the conditions?

14 MR. ROBERTSON: Mr. Chairman.

15 CHMN. FOREMAN: Yes, sir.

16 MR. ROBERTSON: This is Larry Robertson. I
17 wonder for those of us who were not in Case Number 145 or
18 146, if you could provide us with some insight as to the
19 differences of you and the members of the Siting Committee
20 with regard to the term of the CEC.

21 CHMN. FOREMAN: In that case, the applicants
22 asked for a 15-year window within which to build a
23 proposed solar generator and the transmission lines and
24 substation associated with it. This was in the Agua
25 Caliente case. There were some members of the Committee

1 who were in favor of a five-year window for constructing
2 the generator, which was a mult-thousand acre solar
3 facility that was to be either photovoltaic or
4 concentrating solar.

5 The Committee came to the conclusion that it
6 lacked the jurisdiction to either grant or deny an
7 application with regard to photovoltaic because
8 photovoltaic is not a thermal technology. The Committee
9 noted that, but also noted in its conclusions, in its
10 findings of facts that the environmental impact of the
11 solar thermal technology was consistent with or similar to
12 the environmental impact of the photovoltaic; and so it
13 approved the solar thermal and said we don't have
14 jurisdiction to approve the photovoltaic. But it did
15 impose ultimately a 7-year -- the consensus of the
16 Committee was a 7-year window for building the generator,
17 and then it imposed a 7-year window for the construction
18 of the link or generator tie-in, and then left a 15-year
19 window for the rest of the APS substation that was to be
20 built there. And they did that because it was unclear
21 when there would be a need to link in this substation to
22 the new 500 -- there's one 500 kV line that was going
23 close to the project. There would be another one that
24 would be built sometime in the future, and so it was not
25 clear when exactly the second line would need to be built.

1 So the Committee allowed the second part of that project
2 to be extended to 15 years.

3 MR. ROBERTSON: Thank you very much. That's
4 very helpful.

5 CHMN. FOREMAN: Okay.

6 MS. WEBB: Mr. Chairman.

7 CHMN. FOREMAN: Yes, Ms. Webb.

8 MS. WEBB: Okay. I'm not good on the phone.
9 The one thing I had noted in the information I received
10 today was the sign size, asking that it have a prescribed
11 size. So it sounds like that's already been in the works
12 for 145.

13 And then I had one other, just small concern
14 about the notification of who the CECs should be sent out
15 to. It would be Number 15 in the sheet that was e-mailed.

16 CHMN. FOREMAN: Okay. You'll be able to address
17 those issues later.

18 MS. WEBB: Okay.

19 CHMN. FOREMAN: There was an addition of
20 affected governmental entities that changed, and I would
21 assume that the governmental entities that would be
22 interested in the outcome of the granting or denying of
23 any CEC would be different for this project than for the
24 last one. But if you have entities that you want to
25 nominate for that list, that would be a very helpful thing

1 to have available.

2 MS. WEBB: I'm sorry if I misunderstood. So
3 don't bring it up now? Wait to bring it up?

4 CHMN. FOREMAN: Yes.

5 MS. WEBB: Wait.

6 CHMN. FOREMAN: The reason for this hearing is
7 to alert you to the issues --

8 MS. WEBB: Okay.

9 CHMN. FOREMAN: -- and encourage you to think
10 about these issues and be prepared to discuss them at the
11 hearing. We're not going to make any decisions today --

12 MS. WEBB: Okay.

13 CHMN. FOREMAN: -- because the Committee is not
14 here. This is a procedural hearing only.

15 MS. WEBB: Okay. Thank you.

16 CHMN. FOREMAN: All right. Any other issues
17 then? Do we have -- have you talked to Tara about dates?

18 MR. GELLMAN: I have not specifically talked to
19 Tara about dates. We have been scrambling around to try
20 and find some, as well as a venue that's somewhat close to
21 where the project is going to be. I guess our first
22 option where we knew that everybody, at least everybody on
23 the applicant's side would be available, would be October
24 6th through October 8th. As far as the location, we
25 have -- I think we have a tentative hold on the Omni

1 Tucson National Resort in Tucson, Arizona.

2 If those dates don't work out, I guess the
3 second option would be probably the 24th and 25th of
4 September. The problem we're running into is we're
5 running into availability problems in terms of the
6 applicant. So those are the two blocks of dates that I
7 understand we have.

8 MR. GRANT: I'm not sure, Mr. Gellman, about
9 those for TEP, but I did identify at least from
10 Southwest's standpoint also September 10th and 11th and
11 October 1st and 2nd. And I think both of those are
12 Tuesday/Wednesday combinations, which I think the
13 Committee may like. I hope I'm not --

14 CHMN. FOREMAN: All right.

15 MR. GRANT: I think that's right.

16 CHMN. FOREMAN: Please get in touch with Tara
17 about that. Trying to get scheduling together is
18 extremely difficult. We have a multi-intervenor
19 transmission line hearing that is going to be starting
20 next week and will be continued, and right now it looks
21 like we're not able to find a continuation date until
22 early October; is that right?

23 MS. WILLIAMS: Well, the Committee is actually
24 available in late September for those; that could be a
25 possibility for them. The October dates for this hearing

1 might be able to work then if September is taken by 148.

2 CHMN. FOREMAN: Okay. We have not scheduled --

3 MR. ROBERTSON: Mr. Chairman.

4 CHMN. FOREMAN: Yes, sir.

5 MR. ROBERTSON: If I might just mention -- this
6 is Larry Robertson. I have a preexisting commitment in
7 Washington, D.C., from September 24th through the 8th. So
8 that late September time frame Mr. Gellman suggested would
9 be a problem for me. The October dates suggested by both
10 Mr. Gellman and Mr. Grant both work from my standpoint.

11 CHMN. FOREMAN: Okay. My interest in raising
12 this now is to make sure that you get a place on the dance
13 card as quickly as possible so that you don't lose time.
14 We expect this hearing Number 148, the Abel-Moody case,
15 will be a multiple hearing case or a hearing that has
16 multiple days and multiple times. And so it would be good
17 if you got your schedule in as quickly as possible so that
18 we don't collide with that. So please make arrangements
19 with Tara.

20 When do you anticipate you're going to file the
21 application?

22 MR. GELLMAN: My instructions are to file the
23 application by the end of this week, so no later than the
24 31st of July. We may file it a day or two earlier, but I
25 believe it will probably be the 31st.

1 MR. GRANT: So that would basically put our
2 window in that September 10th to October 10th range.
3 Obviously, it's looking like more the October.

4 CHMN. FOREMAN: Yeah, but let's -- one of the
5 big planning problems in 148 is conflicts amongst counsel.
6 And so if -- I have no problem putting you guys in ahead
7 in September if we can work out a time that doesn't
8 conflict with Mr. Robertson's scheduled trip and some
9 other things.

10 All right. Now, are there other issues -- oh,
11 we need to talk about notice. Do we have a form of
12 notice?

13 MR. GELLMAN: We are working on one. I can
14 present you with what we have so far. Obviously, the
15 dates, times and locations are something that we need to
16 work out.

17 The other thing I do have also is a prefiling
18 notification letter we sent to affected jurisdictions,
19 Ms. Webb, and ACC Staff and Legal. So I can present that
20 to you.

21 CHMN. FOREMAN: Okay. We'll make this
22 Exhibit 3.

23 (Exhibit 3 was marked for identification.)

24 CHMN. FOREMAN: Now, as far as the notice is
25 concerned, I'll want notice to be distributed amongst the

1 prospective parties; and if anybody has a problem with the
2 notice, obviously raise that problem as quickly as
3 possible, and then I'll take a look at what you've
4 provided.

5 As far as posting it is concerned, if we already
6 have an existing transmission line that runs over at least
7 the preferred area, we'll want signs along there
8 occasionally at reasonable intervals. The areas that I
9 would be most concerned about, however, would be any areas
10 in the alternative routes that were into new territory.

11 We'll want something that obviously is visible
12 from a substantial distance away. The lettering should be
13 at least as large as a similar highway sign, and the signs
14 should be at least, I would think, two to three feet in
15 size. And if you want to splurge on a 4 by 8, that's
16 okay, too.

17 Any other questions or any other issues that we
18 need to address?

19 MR. ROBERTSON: Mr. Chairman, this is Larry
20 Robertson. It's a request really directed to Mr. Gellman
21 and Mr. Derstine. Mr. Gellman referred a moment ago to a
22 prefiling letter that had been sent to various
23 jurisdictions. If that is something electronically he
24 could have sent to me this afternoon, I would appreciate
25 it.

1 And also, I was, like Mr. Grant, very impressed
2 with Mr. Gellman's summary at the outset of today's
3 prefiling conference about the project. If that's
4 anything electronically to be sent, I'm going to be doing
5 a report to my client, and I would like to be able to send
6 them something in advance of the actual filing of the CEC
7 application.

8 CHMN. FOREMAN: Exhibit 3 indicates that a
9 Manuel T. Gonzalez, an Assistant County Manager of Pinal
10 County, was a recipient of the mailing that was sent out
11 July 15; is that correct?

12 MR. GELLMAN: That's correct. And I had meant
13 to send a copy to Mr. Robertson. I'll go back and check
14 on that. To the extent that wasn't done, I apologize.
15 And while I don't have, I guess, written comments, I would
16 be happy to talk to Mr. Robertson off line about the
17 project in more detail.

18 CHMN. FOREMAN: Good. Good.

19 MR. ROBERTSON: Thank you.

20 CHMN. FOREMAN: All right. Any other issues or
21 questions? Mr. Grant.

22 MR. GRANT: Judge, nothing here.

23 MR. GELLMAN: No, Mr. Chairman.

24 CHMN. FOREMAN: Okay, Ms. Webb, any other
25 points?

1 MS. WEBB: No. I only had a concern about the
2 sign size along the highway, but it sounds like you've got
3 that covered, about the lettering at least as large as
4 similar typical highway signs.

5 CHMN. FOREMAN: Yes.

6 MS. WEBB: Okay. That's great.

7 CHMN. FOREMAN: Okay. Mr. Derstine.

8 MR. DERSTINE: No. Sounds like Mr. Gellman and
9 Mr. Grant have everything well-covered.

10 CHMN. FOREMAN: Okay. Very good. All right.
11 Mr. Robertson, any last comments or thoughts?

12 MR. ROBERTSON: No. Thank you, Mr. Chairman.

13 CHMN. FOREMAN: All right. Very good. Thank
14 you, folks. We'll look forward to working with you on
15 this; and if something comes up, communicate with us, let
16 us know, and we'll work as hard as we can to get your
17 project presented before the Committee.

18 MR. GELLMAN: Thank you, Mr. Chairman.

19 MR. GRANT: Thank you.

20 MS. WEBB: Thank you, Mr. Chairman.

21 (The proceedings concluded at 2:48 p.m.)
22
23
24
25

1 STATE OF ARIZONA)
2) ss.
3 COUNTY OF MARICOPA)
4
5
6

7 I, GARY W. HILL, R.P.R., Certified Reporter
8 No. 50812, for the State of Arizona, do hereby certify
9 that the foregoing printed pages constitute a full, true
10 and accurate transcript of the proceedings had in the
11 foregoing matter, all done to the best of my skill and
12 ability.
13

14 WITNESS my hand this 29th day of July, 2009.
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18

19 
20 Gary W. Hill, R.P.R.
21 Certified Reporter, No. 50812
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EXHIBITS

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**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

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IN THE MATTER OF THE APPLICATION OF ?????
, IN CONFORMANCE WITH THE REQUIREMENTS
OF ARIZONA REVISED STATUTES §§ 40-360, *et*
seq., FOR A CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
CONSTRUCTION OF ????? TRANSMISSION LINE
UPGRADE PROJECT, ORIGINATING AT THE
EXISTING ?????COUNTY, TO THE EXISTING
??????COUNTY, ARIZONA.

) Arizona Corporation Commission

) Docket No. L-00000?

) Case No.

EXHIBIT

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PROCEDURAL ORDER

An application for a Certificate of Environmental Compatibility was filed in the
above captioned matter with docket control of the Arizona Corporation Commission
("Commission") on June 5, 2009. A copy of the application was transmitted to John
Foreman, designee of the Attorney General of Arizona, Terry Goddard, as Chairman
("Chairman") and Presiding Officer of the Arizona Power Plant and Transmission Line
Siting Committee ("Line Siting Committee"). A.R.S. §§ 40-360.01(B)(1) and 40-360.03.
As authorized by A.R.S. §§ 40-360.01(C) and (D), 40-360.04 and A.A.C. R14-3-201(E),
the Chairman issues the following procedural order,

IT IS ORDERED:

1. The Applicant and all other potential parties ("persons" within the meaning of
A.R.S. § 40-360(8) who intend to intervene or request to intervene pursuant to
A.R.S. § 40-360.05(A)) shall advise the Chairman in writing on or before the time
of the pre-hearing conference scheduled below if they disagree that the time limit
for decision on the application by the Line Siting Committee set by A.R.S. §
40.360.04(D) is October 19, 2009.
2. All "persons" within the meaning of A.R.S. § 40-360(8) who intend to intervene or
request to intervene pursuant to A.R.S. § 40-360.05(A) that are listed as parties
or potential parties on pleadings or procedural orders filed by the Applicant or the
Chairman shall notify docket control of their desire to receive pleadings and
orders in this matter and shall regularly review the docket control file in this
matter to make sure they have received all pleadings and procedural orders
relating to this case. Neither the Line Siting Committee nor the Chairman has the

authority to direct docket control to send one of the 25 copies of pleadings and procedural orders filed with docket control to prospective parties.

3. The Applicant shall arrange for the publication and posting of notice of the evidentiary hearing, as agreed to at the pre-application hearing involving the Applicant and all known potential intervenors, in a form approved by the Chairman and circulated for approval as to form to all known potential interested parties. In addition, the Applicant shall submit a copy of the notice and present testimony describing the publication and posting of the notice at the evidentiary hearing.
4. The Applicant shall make arrangements for the evidentiary hearing to be held at the [date], at 9:30 a.m. and continuing on [date], beginning at 8:30 a.m., and continuing, if needed, on [date], at 9:30 a.m. In addition, the Applicant shall make arrangements for a public comment session to be held at the same venue starting at 6:00 p.m. on [date]. The Applicant shall make arrangements for further regular sessions, if needed, and additional public comment sessions, if needed, on dates and at times to be determined later.
5. The Applicant shall contact Michael Kearns, Chief Finance Officer of the Commission (602-542-3931), and advise him of the Applicant's position concerning reimbursement of the Line Siting Fund should the expenses of the hearings exceed the application fee, and to discuss financial arrangements regarding hotel reservations and other expenses of the Line Siting Committee Members. A.R.S. § 40-360.10. The Applicant shall advise the Chairman of the results of these discussions so the necessary information may be communicated to the Line Siting Committee Members.
6. The Applicant and all other potential parties ("persons" within the meaning of A.R.S. § 40-360(8) who intend to intervene or request to intervene pursuant to A.R.S. § 40-360.05(A)) shall meet and confer, on or before the beginning of the evidentiary hearing to determine whether any of the intervening parties have similar interests in the application process that will allow them jointly to present testimony on direct or cross-examination of witnesses or jointly to offer exhibits into evidence. The Applicant shall, and any other potential party may, report to the Chairman the results of the attempts of the parties to resolve the issues and to determine if common interests exist that will allow parties to jointly present evidence and argument or to avoid repetition of testimony and argument at the hearing.
7. The parties and any other potential parties ("persons" within the meaning of A.R.S. § 40-360(8) who intend to intervene or request to intervene pursuant to A.R.S. § 40-360.05(A)) shall not communicate with any member of the Line Siting Committee about any procedural matters or any factual issues or legal

1 issues relating to the Application while the Application is pending before the Line
2 Siting Committee. The only exception is the parties may communicate with the
3 Chairman, during the time the Application is pending, about procedural matters
4 relating to the preparation of the Application for hearing, the hearing on the
5 Application and the decision on the Application by the Line Siting Committee.
6 Communication of the parties with the Chairman about any procedural matters,
7 during the time an Application is pending, shall be in writing with a copy of the
8 writing to all parties or known potential parties ("persons" within the meaning of
9 A.R.S. § 40-360(8) who have expressed an intention to intervene or request to
10 intervene pursuant to A.R.S. § 40-360.05(A)), or shall be on the record at a pre-
11 application hearing, at a procedural hearing or at the hearing on the application.
12 Any party who initiates any written communication sent to the Chairman shall
13 file, with docket control of the Commission, a copy of the communication,
14 including its distribution list, within 10 days of sending the communication.

8. Whenever an ~~agenda is~~ filed pursuant to A.R.S. § 38-431.02, all parties shall
submit, at least forty-eight hours before the hearing or meeting described in the
agenda, any ~~objections, additions or corrections~~ to the agenda, in order to bring
the agenda into compliance with A.R.S. § 38-431.02, in writing to the Chairman,
serve a copy upon all other parties and file a copy with docket control of the
Commission.

9. In addition, all parties shall meet and confer as needed before, during and after
the hearing to attempt to resolve any disputes amongst the parties. The parties
also shall keep all other parties advised of their positions and intentions with
regard to the presentation of evidence, witnesses and the application process in
general to avoid delay, the presentation of repetitive evidence and any unfair
advantage from surprise.

10. All parties shall prepare ~~brief summaries of the expected direct testimony of each
witness they will call~~. In lieu of a testimonial summary, a party may pre-file and
exchange all or substantially all of the direct testimony of any witness.
Testimonial summaries and pre-filed testimony should be filed no later than the
last pre-hearing conference or three business days before the witness is to
testify, whichever is later. Except for good cause, no witness will be allowed to
testify on direct examination concerning issues not reasonably identified in the
pre-filed testimony or testimonial summary.

11. All parties shall meet, confer and exchange ~~all exhibits the party plans to offer in~~
evidence before the hearing or before they are referred to in testimony or offered
in evidence. The Applicant shall, and other parties may, provide one or more
three ring binders for the Chairman and each member of the Line Siting
Committee to hold exhibits at the beginning of the hearing and as needed during
the hearing. Each party shall prepare a numbered list of the exhibits and a copy
of all exhibits suitable for placement in the binders that have been exchanged
with the other parties that each party expects to offer in evidence at the hearing

1 for the Chairman and each Line Siting Committee member. The exhibits shall be
2 provided at the beginning of the hearing and during the hearing before reference
3 to the exhibit is made in the hearing. Except for good cause, no exhibit that was
4 not exchanged with the other parties shall be considered at the hearing. Any
5 exhibit to which reference is made during any hearing that is not offered or
6 admitted into evidence shall be provided to the court reporter at the evidentiary
7 hearing for inclusion in the record unless it is withdrawn, and the Chairman
8 determines its filing is not necessary to an understanding of the actions of the
9 Committee.

10 12. All exhibits shall be consecutively numbered with the Applicant's exhibits
11 denominated: 2-1, 2-2, etc. Each intervening party will be assigned by the
12 Chairman a letter or letters of the alphabet as a preface with which to
13 consecutively number its exhibits. For example, the Commission Staff will
14 number its exhibits: CC-1, CC-2, etc.

15 13. The Applicant may make an opening statement at the beginning of the hearing of
16 no more than thirty minutes. Each other party may make an opening statement
17 of no more than five minutes.

18 14. Public comment will be heard after the opening statements and at other times set
19 by the Chairman during the hearing. See ¶ 3, above.

20 15. In the event the Chairman determines that a tour is appropriate, the Applicant
21 shall arrange for transportation of any Committee Members who wish to attend a
22 tour of the locations where facilities proposed in the application or similar facilities
23 are located. If a tour is held, it will begin at ???? am on ???? 2009. The
24 Applicant shall submit to the Chairman, for approval in advance of the hearing, a
25 schedule and protocol agreed to by all parties for the tour. If all parties do not
26 agree upon the schedule and protocol for the tour, the disagreements shall be
submitted to the Chairman for resolution. The protocol shall identify the tour
route, identify the location of any stops, and identify any witnesses who will
accompany the tour. Counsel may ask brief explanatory questions of the
identified witness or witnesses during the stops about the location, what can be
seen from the location of the stop and the relevance of the location or view to the
Application in the discretion of the Chairman. All witnesses who testify on the tour
shall be sworn before their testimony. All questions and answers shall be before
a court reporter. No testimony or discussion with or between Committee
Members about the Application or matters relating to the Application will take
place, except on the record before a court reporter at the designated stops. The
protocol shall provide for access to any testimony presented at stops on a tour to
members of the public. Members of the public who wish to attend the tour shall
be encouraged to notify the parties or the appropriate staff of Arizona
Corporation Commission in advance of their intention to attend.

1 16. Parties may present their witnesses in panels where appropriate. A party that
2 intends to present witnesses in panels shall identify the members of any panel at
the time it files its witness summaries.

3 17. The Applicant shall make arrangements for the preparation of expedited court
4 reporter transcripts of all pre-application hearings, pre-hearing procedural
5 hearings and the evidentiary hearing, so that the transcripts are available for
6 public inspection within three working days after each hearing date, as required
7 by A.R.S. § 38-431.01D and § 40-360.04C. In addition, the Applicant shall file a
certification with Commission docket control that it has provided a copy of the
transcripts to at least two public libraries identified in the certification that are in
the vicinity of the application.

8 18. On or before the final pre-hearing procedural hearing set below, the Applicant
9 shall, and the other parties may, file proposed findings of fact, proposed
10 conclusions of law, the wording of any proposed Certificate of Environmental
Compatibility and the wording of any proposed conditions to the Certificate.

11 19. If the beginning of closing arguments and the Line Siting Committee's
12 deliberations are more than one week after the beginning of the hearing, the
13 parties shall meet and confer after the hearing begins and before closing
14 arguments concerning proposed findings of fact, proposed conclusions of law, a
15 proposed Certificate of Environmental Compatibility and the wording of any
16 proposed conditions to the Certificate. If the parties are able to agree upon part
17 or all of the proposed findings of fact, proposed conclusions of law, proposed
18 forms of a Certificate of Environmental Compatibility and proposed wording of
19 conditions to the Certificate, all that is agreed upon should be reduced to writing
and filed with Commission docket control. If the parties are not able to agree
completely, the Applicant shall, and all other parties may, file proposed findings
of fact, proposed conclusions of law, proposed wording of a Certificate of
Environmental Compatibility and proposed wording of conditions to the
Certificate on the day before the beginning of closing arguments and the Line
Siting Committee's deliberations.

20 20. If the Applicant or any other party proposes conditions based upon conditions
21 used in prior cases, each proposed condition from a prior case shall contain the
22 case number of the most recent prior Certificate of Environmental Compatibility
using the language approved by the Commission.

23 21. All witness summaries, proposed findings of fact, proposed conclusions of law,
24 proposed Certificates of Environmental Compatibility and proposed conditions of
25 Certificates, shall be filed with Commission docket control pursuant to A.A.C.
26 R14-3-204 and -205. If any documents that are filed are hand delivered during

1 the hearing, eleven copies shall be submitted to the Chairman for distribution to
2 the other Committee Members.

3 22. Within five business days after the hearing concludes and the Committee renders
4 its decision, the parties shall meet and confer in person or electronically to
5 determine if they can agree upon the final wording of a proposed Certificate of
6 Environmental Compatibility. If the parties can agree upon the final wording of a
7 proposed Certificate of Environmental Compatibility, Applicant shall file forthwith
8 the agreed upon proposed Certificate of Environmental Compatibility to the
9 Chairman for signature. If the parties are not able to agree upon a proposed
10 form of Certificate of Environmental Compatibility, the Applicant shall file, and
11 the other parties may file, within ten days after the date of the decision of the
12 Committee, those portions of the proposed Certificate of Environmental
13 Compatibility upon which the parties agree. The Applicant also shall file, and any
14 other party also may file, its understanding of any disputed portions of the
15 proposed Certificate of Environmental Compatibility. All proposed forms of the
16 Certificate of Environmental Compatibility and any objections or proposed
17 revisions shall be filed with docket control of the Commission, and a copy shall
18 be hand delivered to the office of the Chairman at 1275 W. Washington,
19 Phoenix, Arizona. Objections or suggestions that are not timely filed shall be
20 considered waived. The copy of the proposed Certificate of Environmental
21 Compatibility filed by the Applicant and any proposed revisions filed by the
22 parties that are served upon the Chairman shall include an electronic file
23 containing the wording of the proposed language in a format compatible with
24 Microsoft® Word word processing program.

25 23. The Applicant and all other potential parties ("persons" within the meaning of
26 A.R.S. § 40-360(8) who intend to intervene or request to intervene pursuant to
A.R.S. § 40-360.05(A)) shall meet with the Chairman for a final pre-hearing
conference on [date] beginning at [time] at the offices of the Attorney General of
Arizona at 1275 W. Washington, Phoenix, Arizona. Parties may appear by
telephone with the prior permission of the Chairman. At the final pre-hearing
conference, the Chairman will review with the parties:

- a. The publication and posting of notices of the hearing;
- b. The proposed agenda for the evidentiary hearing;
- c. Any notices to intervene, applications to intervene, and applications to make a limited appearance;
- d. The status of attempts to narrow the issues at the evidentiary hearing or to agree to language in the proposed findings of fact, proposed conclusions of law, proposed Certificates of Environmental Compatibility and proposed conditions to the Certificate;

- 1 e. The status of the filing and exchange of witness summaries or written
2 testimony, proposed findings of fact, proposed conclusions of law,
3 proposed Certificates of Environmental Compatibility and proposed
4 conditions to the Certificate;
5 f. The status of the exchange of exhibits amongst the parties;
6 g. Any objections, motions, responses and legal memoranda that have been
7 filed;
8 h. Plans and preparations for the hearing, public comment session, and tour
9 of the proposed site.

10
11 IT IS FURTHER ORDERED, the Chairman may amend or waive any portion of
12 this Procedural Order by subsequent Procedural Order, by ruling at a pre-hearing
13 conference or at a hearing.

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15 DATED this ??th day of ????, 2009

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John Foreman
Assistant Attorney General
Chairman
Arizona Power Plant and Transmission
Line Siting Committee
john.foreman@azag.gov

27 Pursuant to A.A.C. R14-3-204,
28 The Original and 25 copies were
29 filed this ??th day of ????, 2009 with:

30 Docket Control
31 Arizona Corporation Commission
32 1200 W. Washington St.
33 Phoenix, AZ 85007

1 Copy of the above mailed
2 this ??th day of ????, 2009 to:

3 Janice Alward, Chief Counsel
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, AZ 85007
7 Counsel for Legal Division Staff

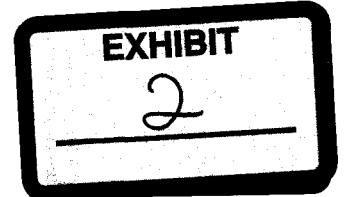
8 ?????
9 ?????

10 Marta T. Hetzer
11 Arizona Reporting Service, Inc.
12 2200 North Central Avenue
13 Phoenix, AZ 85004-1481



[These are draft conditions to be attached to a proposed Certificate of Environmental Compatibility for consideration by the parties to hearings. They should be considered as a starting point not necessarily an ending point for the discussions the parties are required to hold before and during a hearing concerning the final form of the CEC. Not all draft conditions are appropriate for each case. If the parties agree to use or a party individually wishes to propose different language based upon the language used in a prior CEC approved by the Committee or Commission, please indicate which case the language was taken from and by whom it was approved.]

CONDITIONS



This Certificate is granted upon the following conditions:

1. The Applicant shall obtain all approvals and permits required by the United States, the State of Arizona, the County of [county], and any other governmental entities having jurisdiction necessary to construct the Project.
2. The Applicant shall comply with all existing applicable statutes, ordinances, master plans and regulations of the United States, the State of Arizona, the County of [county], and any other governmental entities having jurisdiction during the construction and operation of the transmission line [power plant].
3. If any archaeological, paleontological or historical site or object that is at least fifty years old is discovered on state, county or municipal land during the construction or operation of the transmission line [power plant], the Applicant or its representative in charge shall promptly report the discovery to the Director of the Arizona State Museum, and in consultation with the Director, shall immediately take all reasonable steps to secure and maintain the preservation of the discovery as required by A.R.S. § 41-844.

4. If human remains and/or funerary objects are encountered on private land during the course of any ground-disturbing activities relating to the construction or operation of the transmission line [power plant], the Applicant shall cease work on the affected area of the Project and notify the Director of the Arizona State Museum as required by A.R.S. § 41-865.
5. The Applicant shall comply with the notice and salvage requirements of the Arizona Native Plant Law (A.R.S. §§ 3-901 et seq.) and shall, to the extent feasible, minimize the destruction of native plants during the construction and operation of the transmission line [power plant].
6. The Applicant shall not assign this Certificate or its interest in the Project authorized by this Certificate without prior approval of the Commission. Any assignment of this Certificate shall require the assignee to assume all responsibilities of the Applicant listed in this Certificate.
7. This authorization to construct this Project shall expire five years from the date the Certificate is approved by the Commission unless the transmission line [power plant] is capable of operation. However, prior to expiration, the Applicant or its assignees may request that the Commission extend this time limitation.
8. In the event that the Project requires an extension of the term of this Certificate prior to completion of construction, Applicant shall use reasonable means to notify all landowners and residents within one mile of the Project corridor [location], all persons who made public comment at this proceeding, and all parties to this proceeding of the

request and the date, time and place of the hearing in which the Commission will consider the request for extension.

9. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the transmission lines and related facilities addressed in this Certificate. The Applicant shall maintain written records for a period of five years of all complaints of radio or television interference attributable to operation, together with the corrective action taken in response to each complaint. All complaints shall be recorded to include notations on the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. Upon request, the written records shall be provided to the Staff of the Commission.
10. Within 120 days of the Commission decision granting this Certificate, Applicant will post signs in public rights-of-way giving notice of the Project corridor to the extent authorized by law. The Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line until the transmission structures are constructed. To the extent practicable, within 45 days of securing easement or right-of-way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Such signage shall be no smaller than a normal roadway sign. The signs shall advise:
 - (a) That the site has been approved for the construction of Project facilities;
 - (b) The expected date of completion of the Project facilities;
 - (c) A phone number for public information regarding the Project;

- (d) The name of the Project;
- (e) The name of the Applicant; and
- (f) The website of the Project.

11. Applicant, or its assignee(s), shall design the transmission lines to incorporate reasonable measures to minimize impacts to raptors.
12. Applicant, or its assignee(s), shall use non-specular conductors and non-reflective surfaces for transmission line structures.
13. Before construction on this Project may commence, the Applicant shall file a construction mitigation and restoration plan ("Plan") with ACC Docket Control. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-of-way particularly in drainage channels and along stream banks, and shall re-vegetate, unless waived by the landowner, native areas of construction disturbance to its preconstruction state outside of the power-line right of way after construction has been completed. The Plan shall specify the Applicant's plans for coordination with the Arizona Game and Fish Department and the State Historic Preservation Office. The Applicant shall use existing roads for construction and access where practicable and the Plan shall specify the manner in which the Applicant makes use of existing roads.
14. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.
15. The Applicant shall provide copies of this Certificate to [all affected governmental entities, e.g., affected cities and counties, the Arizona

State Land Department, the State Historic Preservation Office, and the Arizona Game and Fish Department].

16. Prior to the date construction commences on this Project, the Applicant shall provide known homebuilders and developers within one mile of the center line of the Certificated route [power plant] the identity, location, and a pictorial depiction of the type of power line [plant] being constructed, accompanied by a written description, and encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.
17. Before commencing construction of Project facilities located parallel to and within 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant shall:
 - (a) Perform the appropriate grounding and cathodic protection studies to show that the Project's location parallel to and within 100 feet of such pipeline results in no material adverse impacts to the pipeline or to public safety when both the pipeline and the Project are in operation. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure that such material adverse impacts are mitigated. Applicant shall provide to Commission Staff reports of studies performed; and
 - (b) Perform a technical study simulating an outage of the Project that may be caused by the collocation of the Project parallel to and within 100 feet of the existing natural gas or hazardous liquid pipeline. This study should either: i) show that such outage does not result in customer outages; or ii) include operating plans to minimize any resulting customer outages.

Applicant shall provide a copy of this study to Commission Staff.

18. Applicant will follow the most current Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.
19. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Docket Control of the Arizona Corporation Commission on December 1 beginning in 2009. Attached to each certification letter shall be documentation explaining how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall be submitted to the Arizona Attorney General and Department of Commerce Energy Office. The requirement for the self-certification shall expire on the date the Project is placed into operation.
20. Within sixty (60) days of the Commission decision granting this Certificate, the Applicant shall make good faith efforts to commence discussions with private landowners, on whose property the Project corridor is located, to identify the specific location for the Project's right-of-way and placement of poles.
21. The Applicant shall expeditiously pursue reasonable efforts to work with private landowners on whose property the Project right-of-way will be located, to mitigate the impacts of the location, construction, and operation of the Project on private land.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following findings of fact and conclusions of law:

1. The Project aids the state in meeting the need for an adequate, economical and reliable supply of electric power.
2. The conditions placed on the Project in the CEC by the Committee effectively minimize the impact of the Project on the environment and ecology of the state.
3. The Project is in the public interest because the Project's contribution to meeting the need for an adequate, economical and reliable supply of electric power outweighs the minimized impact of the Project on the environment and ecology of the state.



ROSHKA DEWULF & PATTEN

ROSHKA DEWULF & PATTEN, PLC
ATTORNEYS AT LAW
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET
SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

July 15, 2009

EXHIBIT

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Sent Via E-Mail and U.S. Mail

Kevin Kish
Director of Planning, Town of Marana
Marana Municipal Complex
11555 West Civic Center Drive
Marana, AZ 85653

Manuel T. Gonzalez
Assistant County Manager
Pinal County
Administrative Services
P.O. Box 827
31 North Pinal Street, Bldg A,
2nd Floor
Florence, Arizona 85232

Arlan Colton, Planning Official
Pima County Planning Division
201 N. Stone, 2nd Floor
Tucson, AZ 85701

Timothy Bolton
Principal Planner
Arizona State Land Department
177 North Church Avenue,
Suite 1100
Tucson, AZ 85701

Janice Alward
Chief Counsel
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Gilbert Davidson, Town Manager
Town of Marana
Marana Municipal Complex
11555 West Civic Center Drive
Marana, AZ 85653

C.H. Huckelberry, County
Administrator
Pima County Governmental Center
130 West Congress Street
Tucson, AZ 85701-1317

Ruben Ojeda
Right of Way Manager
Arizona State Land Department
Right of Way Division
1616 West Adams
Phoenix, AZ 85007

Ernest Johnson
Utilities Division Director
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Elizabeth Buchroeder-Webb
17451 East Hilton Ranch Road
Vail, AZ 85641

ROSHKA DEWULF & PATTEN

Re: IN THE MATTER OF THE APPLICATION OF TUCSON ELECTRIC POWER COMPANY AND SOUTHWEST TRANSMISSION COOPERATIVE, INC. FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY FOR: (1) THE RECONFIGURATION OF AN EXISTING TEP 138 kV LINE TO AN SWTC 115 kV LINE FROM THE EXISTING SAGUARO SUBSTATION IN SEC. 15, T.10S., R.10E. TO THE EXISTING TORTOLITA SUBSTATION IN SEC. 23, T.10S., R.10E., PINAL COUNTY, AND (2) THE RECONFIGURATION OF TWO EXISTING TEP 138 kV LINES AND THE ADDITION OF ONE TEP 138 kV LINE AND ONE SWTC 115 kV LINE FROM THE EXISTING TORTOLITA SUBSTATION TO THE EXISTING NORTH LOOP SUBSTATION IN SEC. 9, T.12S., R.12E. IN THE TOWN OF MARANA, PIMA COUNTY.

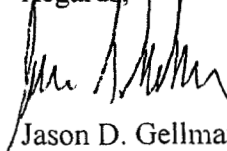
To Whom It May Concern:

The purpose of this letter is to provide notice that Tucson Electric Power Company ("TEP") and Southwest Transmission Cooperative, Inc. ("SWTC") Inc. will soon be filing their Application to the Arizona Corporation Commission ("Commission") for approval of the above-captioned Project. This Application is being filed pursuant to A.R.S. §§ 40-360 through 40-360.13, and A.A.C. R14-3-201 through R14-2-219 and will be heard by the Arizona Power Plant and Transmission Line Siting Committee ("Committee"). TEP and SWTC intend to file that Application by the end of July, 2009.

To that end, TEP and SWTC have scheduled with Committee Chairman John Foreman a pre-filing conference to take place Monday, July 27, 2009 at 2:00 p.m. at 1275 West Washington Street, Phoenix, Arizona 85007. The Companies believe you may be interested in intervening and participating in the hearings before the Committee. Should you be interested in intending the pre-filing conference, please contact Tara Williams (tara.williams@azag.gov) at the Arizona Attorney General's Office.

Please contact me at (602) 256-6100, if you have any questions or concerns.

Regards,



Jason D. Gellman

JDG/mi

cc: Marcus Jerden
Lawrence V. Robertson, Jr.
Michael G. Grant